DIGITAL STARTUP ECOSYSTEM OVERVIEW 2016

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Investment in Spain
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Barcelona Digital Hub
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- M&A Activity

Conclusions
Spanish Startup Ecosystem
2,663

**Startups in Spain in 2016**

+0,94% YoY

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**Digital sector to account for 5,2% of Spain’s GDP in 2016; €42,3 billion (+2% YoY)**

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**3 main hubs**

- **Barcelona**: 28,4% of all startups
- **Madrid**: 27,1%
- **Valencia**: 5,2%

Source: Dealroom/PitchBook/ONTSI/StartupExplore
Around 60 tech hubs in Europe

+1/3 of European startups concentrated in the 10 biggest hubs

Barcelona and Madrid ranked in the European top 10 in Europe by number of startups

Source: Balderton
eCommerce is still the most representative sector

eCommerce, Social and Enterprise software are the fastest growing sectors (+4% YoY on average)

Source: Startupxplore/ European Startup Monitor
Spain is a destination for European founders

Second country in the EU attracting international talent to start their businesses

UK and Germany are the biggest ecosystems with totally different models: capture vs. culture

Source: http://europeanstartupmonitor.com
Healthy developers density

Spain is the 5th country with more qualified developers (Europe)

... and also shows a really competitive cost compared to other countries (worldwide)

The average salary in Spain has increased 33% in the last 4 years

Source: Atomico/AngelList/Jobfluent

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### % of developers with +6 years of experience

- **POLAND**: 4.8%
- **RUSSIA**: 5.2%
- **SPAIN**: 9.8%
- **FRANCE**: 12.5%
- **GERMANY**: 15.5%
- **NETHERLANDS**: 16.7%
- **UK**: 25.6%

### Salary $k

- **SPAIN**: 45
- **FRANCE**: 51
- **GERMANY**: 56
- **EUROPE**: 59
- **UK**: 64
- **IRELAND**: 66
- **NEW YORK**: 93
- **SAN FRANCISCO**: 104

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Digital Startup Ecosystem Overview 2016

Spanish Startup Ecosystem: Attracting Talent

Report by Mobile World Capital Barcelona, 2017
Spain is the 4th destination for international tech talent…

…attracting 14%

…and exporting 7% to other European countries

Source: Atomico
Investment in Spain
**INVESTMENT IN SPAIN: OVERVIEW**

**Investments still over 500M€**

Although it decreases following the European tendency

Source: PitchBook Data, Inc./Crunchbase
But the average investment ticket has grown significantly, reflecting the more mature stage of the ecosystem.

Source: PitchBook Data, Inc.
Rounds bigger than €10M

Source: PitchBook Data, Inc./Crunchbase
Social and Mobile are the main sectors leading the investment.
The mix of investors’ types is healthy

Early stage VC investments have significantly turned into later stage, which reflects the maturity of the ecosystem.

While the increasement of Business Angels reinforces the continuity of the ecosystem.

Source: PitchBook Data, Inc.
Foreign investors bet for the Spanish ecosystem

59% of the investment in Spanish Startups comes from 43 international investors

Source: PitchBook Data, Inc./ El Referente
Record year in Exits: +1 Billion

Top Exits:
- Privalia – Vente Privée: 500M€
- Pepemobile – Másmovil Ibercom: 158M€
- Ticketbis – eBay: 147,27M€
- Olapic – Monotype Imaging: 116,03M€

Barcelona is the city with more deals
- Barcelona: 36 deals (+3 vs. 2015)
- Madrid: 28 deals (-7 vs. 2015)
- Valencia: 2 deals (-2 vs. 2015)

*Excluding Jazztel 2015

Source: PitchBook Data, Inc.
Barcelona Digital Hub
28.4% of all Spanish Startups

Market
43% B2B
23% B2C
34% B2B2C

Barcelona’s startups revenue: 1.3B€

Sectors
• E-commerce 21% (+7.6% YOY)
• Mobile 10% (-2% YOY)
• Enterprise 10% (-1% YOY)
• Social 9% (nd 2015)
• Tourism 9% (+4.1% YOY)
**eCommerce is still “The” sector for Barcelona startups**

eCommerce was the #1 sector in 2015 (13.2%) and has increased its presence.

Tourism startups have growth from a 5.9% to a 10%, showing the city’s economic reality.

Source: StartupXplore
Barcelona dominates startup investments

56% of € invested in Spain went to Barcelona-based startups

Source: PitchBook Data, Inc.
Social Software, Mobile and FinTech and eLearning sectors are leading investments

Source: PitchBook Data, Inc./Sirris
Barcelona deals represent 48.2% of the capital from Spanish Exits, and have increased in 2016.

In contrast with the global amount of Spanish Exits, that have decreased from 123 in 2015 to 104 in 2016.

Source: PitchBook Data, Inc.
Conclusions
CONCLUSIONS

It is all about hubs
Spain and its main hubs remain important players at European level, which demonstrates the maturity of its startups through: investments –increasing in advanced stages-, exits, as well as the power to attract talent. Facing the future, we must take advantage of these variables to expand the Spanish ecosystem and bring it closer to other hubs such as the UK, France or Germany.

Open to new markets
Success of Spanish startups relies on new markets opening. Today, 54,8% of the startup economy remains inside the country and this tendency should change in the future if startups want to gain more international recognition. If they want to compete with other countries then they should be able to demonstrate established business models can work in other countries. This will make international investors believe more in the Spanish startup ecosystem.

Favorable Regulations required
As we mentioned last year there is a lack of impact within the Spanish entrepreneurial law. At this point we should work to make the creation of new businesses and the investment in Spain more attractive. Limitations, bureaucracy and tax friendly policies need to be designed and implemented if we want to take advantage of Spain’s momentum and take the ecosystem to the next level keeping investors interested in Spanish startups.
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METHODODOLOGY

All of the charts, tables and figures that are included in this report come from publicly available sources.
THANK YOU